MPC CONTAINER SHIPS ASA

FINANCIAL REPORT

H1 2021

CONTENTS

MPC CONTAINER SHIPS ASA

SECOND QUARTER AND HALF-YEAR 2021 HIGHLIGHTS

- Total operating revenues for Q2 2021 were USD 68.8 million compared to USD 54.9 million for Q1 2021.
- EBITDA was USD 31.9 million in Q2 2021 (Q1 2021: USD 22.3 million).
- Operating cash flow for Q2 2021 was USD 35.6 million (Q1 2021: USD 17.6 million).
- Net profit for the period was USD 12.0 million (Q1 2021: USD 3.5 million).
- Total ownership days of fully owned vessels were 5,121 (Q1 2021: 5,182) and total trading days were 4,896 (Q1 2021: 5,089). Utilization in Q2 2021 was 96.9%[1] (Q1 2021: 99.2%).
- Average time charter equivalent (“TCE”) was USD 13,437 per day (Q1 2021: USD 10,502 per day).
- Average operating expenses (“OPEX”) were USD 5,377 per day (Q1 2021: USD 5,224 per day).
- Equity ratio as at 30 June 2021 was 58.8% (31 March 2021: 56.2%) and the leverage ratio was 37.7% (31 March 2021: 41.1%)
- On 22 June 2021 MPC Container Ships ASA (“the Company” or together with its subsidiaries “the Group”) announced that it had entered into a share purchase agreement to acquire Songa Container AS (“Songa”) for an aggregate purchase price of USD 210.3 million on a debt and cash free basis (“the Transaction”). The Transaction comprises of 11 vessels with an average size of 2,250 TEU and an average age of 11.9 years. See note 11 for further description. The Transaction was completed on 9 August 2021.
- As at 22 June 2021, the Group had repaid in full the USD 29 million term loan with CIT
- On 26 April 2021, the vessel AS Laguna, which as of 31 March 2021 was classified as held for sale, was delivered to its new owners.

SUBSEQUENT EVENTS

- The Transaction of 100% of the shares in Songa including a minority interest in a subsidiary of Songa was completed on 9 August 2021
- On 28 July the Group completed the repayment the Non-recourse senior secured term loan with Beal Bank
- On 29 July 2021 the Group entered into a USD 70 million three-year revolving credit facility agreement with CIT Group and an initial drawdown of USD 40 million was made to refinance the existing debt.

CEO COMMENT

The positive momentum in the container market is strengthening, supported by very strong fundamentals resulting in a further tightening of the availability of assets. Due to the upward trend in global trade and growing inefficiencies in the logistical chains there are no indications whatsoever of a weakening market before at least well into 2022.

In these market conditions the Group has completed a total of 42 fixtures in 2021 and expanded the fleet with additional 11 vessels, locking in favourable rates and consequently improving the EBITDA backlog.

Continuing to adhere to the moderate leverage strategy, we will continue to optimize our financial structure to achieve a more optimal balance sheet. Following that, the Company is well positioned to pay dividends in 2022.

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[1] Utilization in percentage represents total trading days including off-hire days related to dry-docks divided by the total number of ownership days during the period

SECOND QUARTER AND HALF-YEAR 2021 RESULTS

Financial performance

The Group's vessels are chartered out on time charter contracts to global and regional liner shipping companies. Operating revenues for the quarter were USD 68.8 million (Q1 2020: USD 54.9 million). The gross profit from vessel operations was USD 35.1 million (Q1 2021: USD 23.0 million). The increase in operating revenues and gross profit compared to the previous quarter is driven by the continuing improvement in the charter market and container demand, leading to higher charter rates for the Group's fleet compared to prior quarters. Accordingly, the Q2 2021 TCE (per trading day) has seen an increase compared to Q1 2021 from USD 10,502 to USD 13,437 as the Group was able to make use of the currently strong demand from container capacity.

The Group reports a net profit of USD 12.0 million in Q2 2021 (Q1 2021: USD 3.5 million).

For the first half year 2021, the Group reported operating revenues of USD 123.7 million (H1 2020: 85.1 million) and gross profit of USD 58.1 million (H1 2020: USD 12.8 million). The increase in gross profit compared to the previous year is mainly due to the improvements in the supply and demand balance in the container charter market leading to higher charter rates and reduced idle time. The Group reported a net profit of USD 15.5 million (H1 2020: Net loss of USD 28.3 million).

Financial position

The Group's total assets amounted to USD 679.6 million as at 30 June 2021 (USD 678.1 million as at 31 December 2020). Non-current assets in the amount of USD 611.5 million (USD 617.2 million as at 31 December 2020) reflect the carrying amounts of the vessels operated by the Group including the equity investments into a joint venture holding eight additional vessels. The decrease in vessels for the first half of 2021 is due to the depreciations for the period, sales of vessels partly offset by the capital expenditures for the period and a new vessel taken over in the first half of 2021. The increase in the investment in joint venture for the first half of 2021 is due to the share of profit from the joint venture of USD 3.9 million partly offset by the dividend received in the second quarter of USD 2.0 million.

Total equity was USD 399.5 million as at 30 June 2021 (USD 383.0 million as at 31 December 2020) with non-controlling interest of USD 0.8 million. The change in equity during the first half of 2021 mainly relates to the net profit for the period of USD 15.5 million and to the positive change of USD 1.0 million for the hedging reserves. As at 30 June 2021, the Group had total interest-bearing debt in the amount of USD 255.9 million (USD 276.9 million as at 31 December 2020). The decrease in long term debt is mainly due to debt repayment of USD 30.4 million, whereof USD 29.0 million relates to the repayment of the USD 29.0 million term loan in June 2021. This was partly offset by a new term loan of USD 6.0 million entered into during the first quarter to fund the vessel acquisition of AS Nadia, combined with amortized capitalized transaction costs and accrued interest. The Non-recourse senior secured loan with a carrying amount of USD 48.5 million as at 30 June 2021 has been classified as current as at this date, as the loan was repaid in full at 28 July 2021 (See note 11).

Cash flow

In Q2 2021, the Group generated a positive cash flow from operating activities of USD 35.6 million (Q1 2021: USD 17.6 million). The cash flow from investing activities was USD -3.9 million (Q1 2021: USD -9.5 million) from the investments into dry-dockings and other upgrades of USD 9.8 million and partly offset by the proceeds from the disposal of the vessel AS Laguna of USD 3.9 million and the dividend of USD 2.0 million received from joint venture investments. The Group had a negative cash flow from financing activities of USD 33.5 million in Q2 2021 (Q1 2021: positive by USD 0.8 million) mainly due to the repayment of the USD 29.0 million term loan and payment of interest of USD 4.1 million for the quarter.

For the first half year the Group reports an operating cash flow of USD 53.2 million (H1 2020: USD 15.3 million), with the increase caused mainly by the higher charter rates. The cash flow from investing activities was negative by USD 13.4 million (H1 2020: Negative by USD 21.8 million), mainly due to investments and upgrades on the vessels. The cash flow from financing activities was negative by USD 32.7 million (H1 2020: Negative by USD 4.7 million) where the changes are mainly explained by the above mentioned repayment of the USD 29 million term loan in June 2021.

Cash and cash equivalents as at 30 June 2021 was USD 46.3 million. As at 30 June 2021 total restricted cash was USD 1.8 million mainly related to cash on a blocked account under the bond terms, compared to USD 11.5 million as at 31 December 2020. The decrease relates to use of the proceeds on the blocked account during first half of 2021 related to internal relocation of vessels between different funding structures in the Group.

CONTAINER MARKET UPDATE

Surging Container Vessel Market with no normalization in sight

With the recovery from the COVID-19 implications in H2 2020, the container vessel market is experiencing an extraordinary boom with sky-rocking prices, rates and volume growth. The pandemic has had an impact, as the vessel Ever Given had and the COVID-19 disruptions of Yantian and now Vung Tau, but it was not the single nor the main determinant of the boom. Isolated accidents and port troubles have all been seen and weathered before. And even though the IMF recently revised global GDP growth upwards due to the COVID-19 vaccination progress in industrialized economies, there is no global trade or demand boom. Demand more or less shows a normal development over the past years.

The current market boom can be traced back to a supply web problem, where several age-old dysfunctions have been revealed simply with the legitimate boom of one single trade: the Transpacific eastbound. With an unexpected strong bounce-back in container trade demand between Asia and the US, port and hinterland congestions occurred and led to a shortage of trade equipment around the globe. What followed consequently was an unseen supply shortage with tight capacity characterizing the container vessel market since then.

As a result, key industry parameters including freight rates or time-charter rates are experiencing unseen historical territory week-by-week and the commercial idle statistics decreased to record low levels. Regardless of the already historic high level achieved, the latest month-on-month increase of time-charter rates in July has been one of the strongest in history.

Beneath the current market spike, industry fundamentals are in good shape, especially for smaller container vessels. The strong market momentum encouraged investors. US-listed shipping stocks started 2021 with a roar (+12.8% on average only in week one, 2021), outperforming other indices. Secondhand transactions and new-build orders increased and so did secondhand prices and meanwhile also newbuilding prices. The increase in new-build orders since October 2020 is strongly biased towards larger sized vessels, so that smaller vessels below 5.200 TEU still see a manageable orderbook-to-fleet ratio. The vessel age in the smaller segments is relatively high which may lead to an increase in scrapping numbers as soon as markets normalize, and demand forecasts for intra-regional trades (the main home for smaller vessels) are strong. Global demand and production developments like changed consumer behavior (from non-tradable local services to consumption goods) and a change in global sourcing patterns towards more regional diversification add to the good demand forecasts for intra-regional trades.

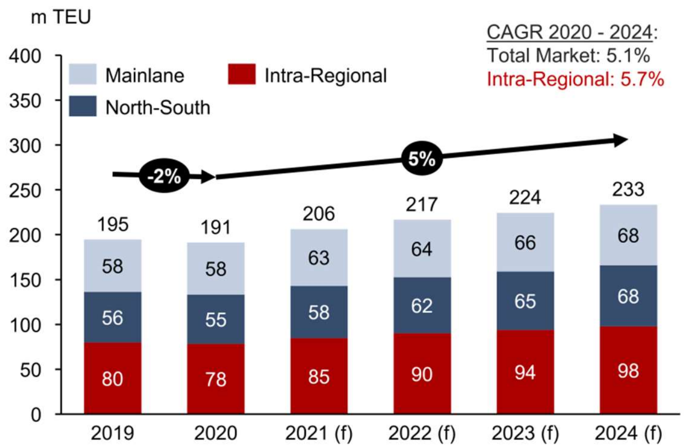
Overall, analysts expect an excess demand situation for the coming two years at least, significantly pronounced for vessels serving intra-regional trades. The new orderbook spike will start to be delivered in 2023 and the market will then see an increase in new-build deliveries of larger sized vessels. It will then be important to monitor possible cascading flows closely. However, as intra-regional trades have natural physical and logistical boundaries that prevent larger vessels to serve those markets and as volume forecasts for intra-regional trades are promising, we see encouraging market conditions for smaller-sized vessels also going forward.

Container Demand

The implications of the COVID-19 lockdown turned 2020 into one of the worst years for the global economy and container trade in particular (-1.7% global TEU demand growth). The economic recovery, however, occurred fast and has been significant so that analysts expect a 7.8% TEU throughput growth in 2021. Full year demand expectations are even stronger for intra-regional trades with 7.9%[2]. Those forecasts are based on a strong recovery and a good performance of the global economy. In light of good vaccination progress in industrialized economies, the IMF revised its global GDP growth forecasts for 2021 and 2022 upwards to 6% and 4.9%, respectively.[3]

Mid-term demand forecasts for the Container Vessel Market are encouraging as well. Demand growth is currently estimated with an average annual growth rate of 5.1% until the end of 2024. Numbers are even more favorable for smaller and intermediate vessels as demand growth on intra-regional trades (the main deployment of vessels smaller 5.200 TEU) is strong with an average annual growth rate of 5.7%.[4] (See Fig. 1) The rethinking of global sourcing patterns towards more regional diversification can be expected to have additional positive implications on intra-regional trades (especially in Asia) and to increase the need for small and flexible container vessels.

Fig. 1: Mid-Term Demand Forecasts



Fleet Development

Regarding the supply side of the container vessel market, the global container fleet comprises currently 5,520 vessels with a total capacity of 24.2 million TEU. The feeder fleet (1,000 to 3,000 TEU) amounts to 2,029 vessels with a total capacity of 3.7 million TEU.[5]

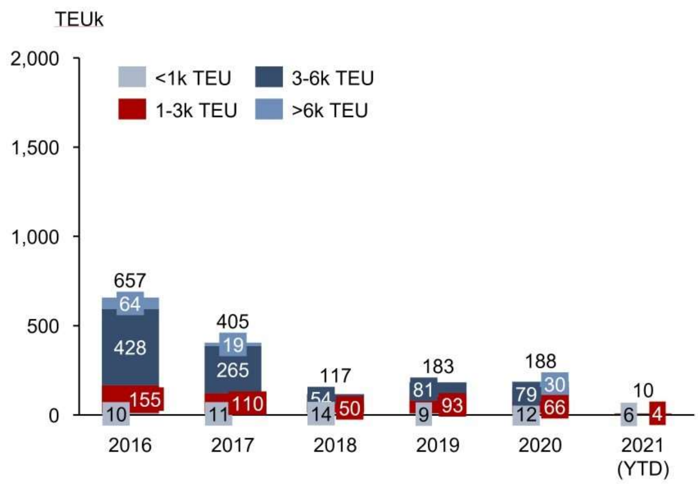
In light of the current container vessel market boom with charter vessels achieving record daily earnings, scrapping came to a halt. In 2021 year-to-date, only 13 vessels with a capacity of 10 thousand TEU have been scrapped. Thereof, 10 vessels with 6,000 TEU have been demolished in the segment <1,000 TEU and 3 vessels with 4,000 TEU in the size class 1,000-2,000 TEU. In 2020, the container vessel market saw 188 thousand TEU deletions, with scrapping of 12 thousand TEU (15 vessels) in the size segment <1,000 TEU. The feeder segment (1,000-3,000 TEU) saw 66 thousand TEU scrapped (44 vessels). In the classic panmax segment (3,000-6,000 TEU), 16 vessels with 79 thousand TEU capacity have been scrapped. In the >6,000 TEU segment four vessels were scrapped representing 30 thousand TEU in total. (See Fig. 2)

As 45% of vessels (in terms of TEU) are older than 14 years with a strong bias towards smaller tonnage, a significant

[2] Maritime Strategies International, Horizon, August 2021.
[3] International Monetary Fund, World Economic Outlook, Update July 2021.
[4] Maritime Strategies International, Horizon, August 2021.
[5] Clarkson Research, Shipping Intelligence Network, August 2021.

increase in scrapping numbers is expected when the current market surge eases. It is, however, not possible to predict when this will happen. In the mid-term, also environmental regulation may show an increasing impact on scrapping numbers in the smaller segments. [6]

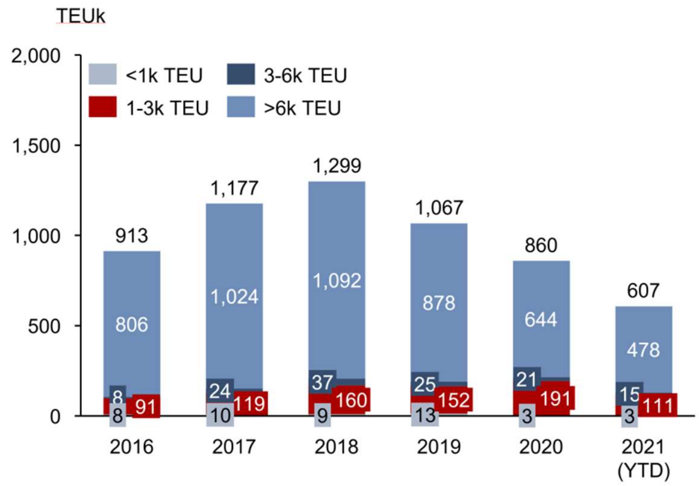
Fig. 2: Scrapping



New build deliveries have been very low in 2020. 140 container vessels with a capacity of 860 thousand TEU have been added to the market. In the feeder segment (1,000 to 3,000 TEU) 93 vessels have been delivered in 2020 (with 191 thousand TEU capacity) compared to 83 vessels delivered in 2019 (152 thousand TEU). Only 6 vessels with 21 thousand TEU have been delivered in the size segment of 3,000 to 6,000 TEU. 2021 year-to-date already saw 96 vessels delivered 607 thousand TEU. Thereof, 57 vessels (111 thousand TEU) have been delivered in the feeder segment (1,000 to 3,000 TEU) and 5 vessels with 15 thousand TEU in the size segment 3,000 to 6,000 TEU. [7] (See Fig. 3)

Fig. 3: Deliveries

[6] Clarkson Research, World Fleet Register, August 2021.
[7] Clarkson Research, Shipping Intelligence Network, August 2021.

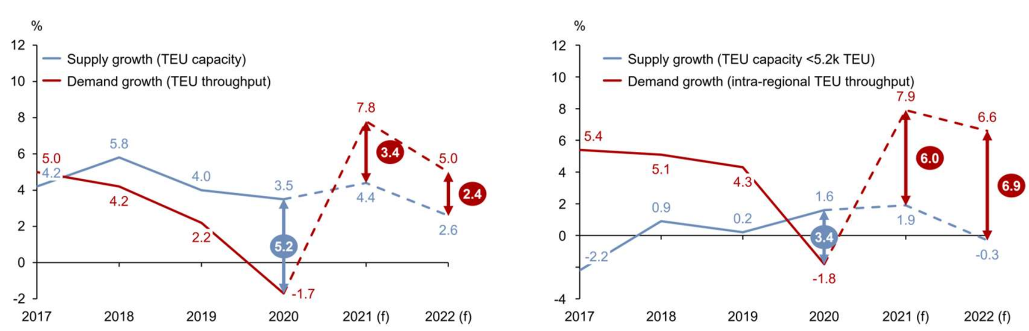


A historic low container vessel order book was observed in October 2020 with 8% of the total fleet and only 1.9 milliom TEU capacity on order. Due to the extraordinary strong market momentum since then, new build orders have increased significantly. In 2021 year-to-date, 347 container vessel orders have been placed with 3.3 million TEU capacity. The total orderbook-to-fleet ratio thus increased to 21.3% with 5.2 million TEU capacity on order. As the recent increase in new orders has been biased strongly towards larger tonnage, the Feeder Orderbook (1,000 to 3,000 TEU) is still at relative low levels with 384 thousand TEU on order (10% of the feeder fleet).[8]

Supply / Demand Balance

As the forecasted strong TEU demand will meet a moderate fleet growth in the coming years, an excess demand situation is expected. Demand growth is assumed to be 7.8% in 2021 for the total market, outperforming the expected supply growth of 4.4%. In 2022, the total container fleet is expected to grow by only 2.6%, compared to a strong 5% TEU demand growth. An even stronger excess demand is expected for vessels serving intra-regional trades. Demand growth on intra-regional trades is forecasted to be 7.9% in 2021 and vessels smaller than 5.200 TEU (which carry 93.4% of the intra-regional TEU tonnage) are expected to grow by only 1.9% in 2021. In 2022, the growth of vessels smaller than 5.200 TEU is even expected to be negative with -0.3%, intra-regional trade demand by contrast is forecasted with strong growth of 6.6%.[9] (See Fig. 5)

Fig. 5: Supply / Demand Development (Total and Intra-Regional Trades)



[8] Ibid.
[9] Maritime Strategies International, Horizon, August 2021.

Charter Market

The current container vessel market boom is especially visible on the charter market, where tight capacity led to a sharp decrease in the idle statistics and time-charter rates increased to record high levels. With the market power moving to vessel owners, the min-max redelivery windows of time-charter contracts got minimized and charter periods increased significantly. As a consequence, forward vessel availability on the charter market diminished. While there are usually around 1,200 to 1,500 open positions for six months ahead, there are currently only around 500 vessels coming open in the next six months.

With the strong rebound of Transpacific TEU volumes and the following congestions and equipment shortages everywhere, competition amongst shippers for open slots increased sharply and pushed freight rates to record high numbers. First on the Transpacific trades, but Asia-Europe and North South trades followed in tandem slightly afterwards. The SCFI Comprehensive increased from 1,050 in July 2020 to 4,196 at the beginning of August 2021.[10]

Freight rates also increased on Intra-Regional trades. Rates on Intra-Asia trades for example are 1,484 USD/40ft in June 2020, 76% higher on prior year. Box rates on Intra-Europe trades increased from 930 USD/ 40ft in May 2020 to 2,030 USD/40ft in June 2021.[11]

As freight rates, also time-charter rates increased to record high numbers, the surge in time-charter rates still continues and has not experienced such strong growth since 2002. The HARPEX Time-Charter Rate Index increased from 412 points in June 2020 to 3,549 points in April 2021 (+761%).[12]

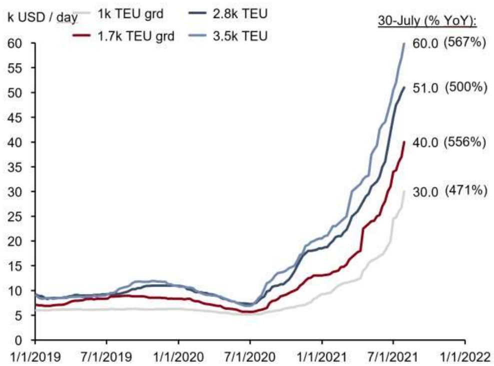
Time charter rates (6-12 months) at 30 April 2021: [13] (See Fig. 5)

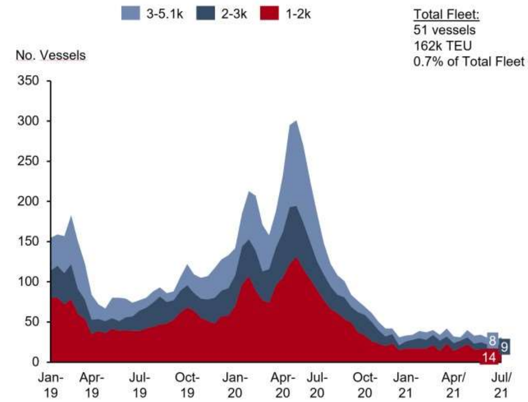
- 1,000 TEU grd: USD 33,500 (+509% YoY)
- 1,700 TEU grd: USD 42,500 (+580% YoY)
- 2,750 TEU: USD 56,000 (+583% YoY)
- 3,500 TEU: USD 70,000 (+540% YoY)

Idle numbers decreased significantly since June 2020. While at the peak of the COVID-19 induced crisis, 550 vessels have been counted as commercially idle, the number decreased to a very low level of only 60 vessels at the beginning of January 2021. Since then, the idle statistics moved more or less sideways. As of 19 July, 51 vessels are counted as commercially idle (162 thousand TEU and 0.7% of the total fleet). In the feeder segment (1,000-3,000 TEU), there are currently 23 vessels counted as idle.[14] (See Fig. 5)

Fig 6: Time-Charter Rates and Idle Statistics

[10] Clarkson Research, Shipping Intelligence Network, August 2021.
[11] Drewry, Container Freight Rate Insights, August 2021.
[12] Harper Petersen, August 2021.
[13] Clarksons Research, Shipping Intelligence Network, August 2021.
[14] Alphaliner, Weekly Newsletter, July 2021.





With the surge in the charter market, also the charter duration and the min/ max redelivery spread became more favourable for vessel owners. The average charter period for smaller vessels (1,000 to 5,100 TEU) increased from 4.2 months in June 2020 to 30 months in July 2021. The redelivery spread decreased from 3.4 months in June 2020 to 0.9 months in July 2021.[15]

Asset Prices

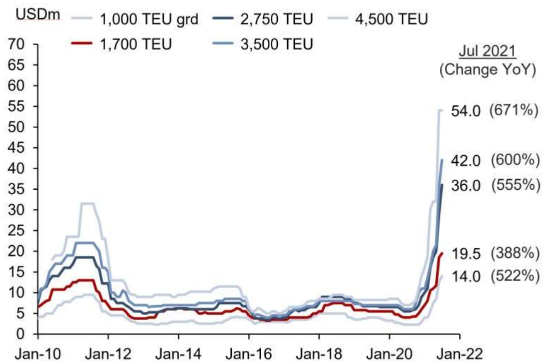
With the improvement of the container vessel market momentum, also the second hand market and the new build market improved substantially.

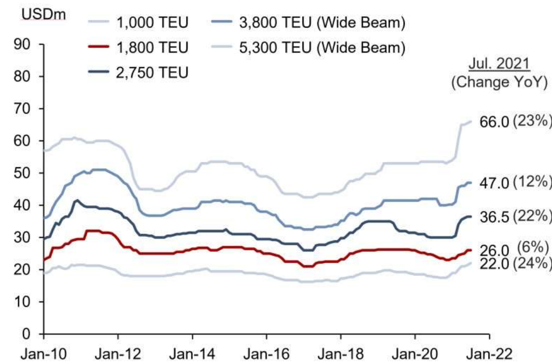
While 201 container vessels changed owner in 2020 (820 thousand TEU), 2021 year-to-date already saw 288 container vessel sales (991 thousand TEU). Second hand prices increased from USD 4 million for a 15 year old 1.700 TEU vessel in June 2020 to USD 19.5 million in August 2021 (+388%). For a 15 year old 2.800 TEU vessel, the price increased from USD 5.5 million in June 2020 to USD 36 million in August 2021 (+555%) and from USD 6 million to USD 42 million for a 15 year old 3.400 TEU vessel (+600%). [16]

With a lag of a few months, new-building prices also started to increase. The increase in new-build prices is, however, not as pronounced as the increase in second hand prices. For a 3.800 TEU vessel, the new-building price increased from USD 40 million in September 2020 to USD 47 in August 2021 (+18%). For a 2.800 TEU vessel, the new building price increased from USD 30 million to USD 36.5 million (+22%). And for a 1.700 TEU vessel from USD 23 million to USD 26m (+13%).[17]

Fig. 7: Second Hand and New Build Prise Development

[15] Clarksons Research, Shipping Intelligence Network, August 2021.
[16] Ibid.
[17] Ibid.





Market Outlook

COVID-19 and the imposed lockdowns led to a severe global recession in 2020, affecting all major economies and a wide range of industries. While the markets started to recover stepwise in H2 2020, the container vessel industry and the container vessel charter market in particular saw an unexpected strong and fast rebound with rates and prices reaching record high numbers week-by-week.

The main drivers of the current market boom are neither the pandemic, nor global demand. The boom was initiated by strong Transpacific trade volumes that revealed dysfunctions in the global supply web. The strong rebound of Transpacific volumes led to port and hinterland congestions and subsequent equipment shortage on main trading hubs. Proper market fundamentals add to the momentum and created a very tight capacity supply situation.

It is very difficult to forecast when the market will normalize and what will be the new “normal”. Current news, however, show that terminal congestions have even been getting worse, reaching new heights in the US and that new COVID infections in Ningbo and Shanghai lead to unprecedented congestions also China. Analysts and liners meanwhile argue that the capacity tightness may continue for months, well into 2022, possibly also into 2023.

The current market boom attracted new build orders that will be delivered in 2023 and onwards. The orderbook is, however, significantly biased towards larger tonnage. Industry fundamentals are encouraging for smaller tonnage (<5.200 TEU). There, the orderbook of less than 10% is manageable, the fleet is relative old what will lead to an extended scrapping activity after markets normalize, fleet growth in the coming years is expected to be even negative and Intra-Regional trades, where most of these smaller vessels trade, are expected to see relative strong trade growth numbers.

In 2023, when the freshly ordered larger vessels hit the water, cascading flows and scrapping activities need to be monitored closely, even if intra-Regional trades are characterized by physical and logistic boundaries that prevent larger vessels to serve these markets. There are still plenty of uncertainties to sort out what will happen in 2023, but one might expect that larger tonnage may move into North-South trades and replace 7,000 to 12,000 TEU vessels. A portion of these vessels may be good scrapping candidates because of their age. Environmental regulation will add to this momentum.

Overall, the encouraging market situation for vessels smaller 5.200 TEU is expected to continue also after markets normalize and after delivery of the larger tonnage in 2023 and 2024.

FORWARD-LOOKING STATEMENTS

Forward-looking statements presented in this report are based on various assumptions. The assumptions are subject to uncertainties and contingencies that are difficult or impossible to predict. MPC Container Ships ASA cannot give assurances that expectations regarding the outlook will be achieved or accomplished.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements presented in this report have been prepared in accordance with IAS 34 as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and income statement as a whole. We also confirm to the best of our knowledge that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Group and a description of risks and uncertainties.

Oslo, 18 August 2021

The Board of Directors and CEO of
MPC Container Ships ASA

Ulf Holländer (Chairman)	Dr. Axel Schroeder	Laura Carballo
Darren Maupin	Ellen Hanetho	Constantin Baack (CEO)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Operating revenues	5	68,825	54,874	39,095	123,699	85,131
Commissions		-2,363	-2,134	-1,314	-4,497	-2,892
Vessel voyage expenditures		-2,978	-1,302	-5,285	-4,280	-12,159
Vessel operation expenditures		-28,402	-27,942	-27,432	-56,344	-53,161
Ship management fees		-2,190	-2,158	-2,252	-4,347	-4,571
Share of profit or loss from joint venture	6	2,254	1,627	590	3,881	483
Gross profit		**35,147**	**22,964**	**3,402**	**58,111**	**12,831**
Administrative expenses		-2,480	-2,454	-1,922	-4,933	-3,913
Other expenses		-903	-458	-509	-1,361	-850
Other income		141	2,205	453	2,346	879
EBITDA		**31,906**	**22,257**	**1,424**	**54,163**	**8,948**
Depreciation	7	-13,674	-13,139	-12,581	-26,813	-24,515
Impairment	7	0	0	-1,500	0	-2,500
Operating result (EBIT)		**18,232**	**9,118**	**-12,656**	**27,349**	**-18,067**
Finance income		52	15	179	67	319
Finance costs	8	-6,272	-5,607	-5,097	-11,880	-10,518
Profit/Loss before income tax (EBT)		**12,012**	**3,525**	**-17,574**	**15,537**	**-28,266**
Income tax expenses		-25	-39	-3	-64	-59
Profit/Loss for the period		**11,986**	**3,487**	**-17,578**	**15,473**	**-28,325**
Attributable to:						
Equity holders of the Company		11,977	3,483	-17,574	15,460	-28,314
Minority interest		10	3	-3	13	-11
Basic earnings per share – in USD		**0.03**	**0.01**	**-0.12**	**0.04**	**-0.09**
Diluted earnings per share – in USD		**0.03**	**0.01**	**-0.12**	**0.04**	**-0.09**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Profit/loss for the period		11,986	3,487	-17,578	15,473	-28,325
Items that may be subsequently transferred to profit or loss		**538**	**417**	**-86**	**955**	**-6,228**
Foreign currency effects, net of taxes		107	-168	41	-61	-40
Change in hedging reserves, net of taxes		431	584	-127	1,016	-6,188
Items that will not be subsequently transferred to profit or loss		**0**	**0**	**0**	**0**	**0**
Total comprehensive profit/loss		**12,524**	**3,904**	**-17,664**	**16,428**	**-34,553**
Attributable to:						
Equity holders of the Company		12,514	3,900	-17,661	16,414	-34,517
Non-controlling interest		10	3	-3	13	-35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In USD thousands	Notes	At 30 June 2021 (unaudited)	At 31 December 2020 (audited)
Assets		**679,625**	**678,138**
Non-current Assets		611,529	617,179
Vessels	7	581,285	587,816
Prepayments on vessels	7	0	1,000
Investment in joint venture	6	30,243	28,362
Current Assets		68,096	60,959
Vessel held for sale	7	0	3,900
Inventories		3,638	3,373
Trade and other receivables		18,119	14,432
Cash and cash equivalents		46,339	39,254
Unrestricted cash		44,468	27,717
Restricted cash		1,872	11,537
Equity and Liabilities		**679,625**	**678,138**
Equity		399,490	383,032
Share capital	10	43,047	43,047
Share premium		456,764	456,764
Treasury shares		-1,143	-1,143
Retained losses		-92,053	-108,413
Other reserves		-7,921	-8,877
Non-controlling interest		798	1,655
Non-current Liabilities		200,419	274,484
Interest bearing loans	8	200,419	274,484
Current Liabilities		79,717	20,623
Interest bearing loans and borrowings	8	55,466	2,436
Trade and other payables		12,572	13,275
Payables to affiliated companies		7	20
Other liabilities		11,671	4,891

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In USD thousands	Share capital (unaudited)	Share premium (unaudited)	Treasury shares (unaudited)	Retained losses (unaudited)	Other reserves (unaudited)	Non-controlling interest (unaudited)	Total equity (unaudited)
Equity as at 1 Jan. 2021	43,047	456,764	-1,143	-108,413	-8,877	1,655	**383,032**
Change in non-controlling interest	0	0	0	900	0	-871	**29**
Result of the period	0	0	0	15,460	0	13	**15,473**
Foreign currency effects	0	0	0	0	-61	0	**-61**
Hedging reserves	0	0	0	0	1,016	0	**1,016**
Equity as at 30 June 2021	**43,047**	**456,764**	**-1,143**	**-92,053**	**-7,921**	**798**	**399,490**

In USD thousands	Share capital (audited)	Share premium (audited)	Treasury shares (audited)	Retained losses (audited)	Other reserves (audited)	Non-controlling interest (audited)	Total equity (audited)
Equity as at 1 Jan. 2020	101,121	356,566	-1,143	-43,948	-3,819	1,681	**410,457**
Change in nominal value	-97,236	97,236	0	0	0		**0**
Capital increase	39,162	2,962	0	0	0	0	**42,124**
Result of the period	0	0	0	-64,465	0	-26	**-64,491**
Foreign currency effects	0	0	0	0	257	0	**257**
Hedging reserves	0	0	0	0	-5,316	0	**-5,316**
Equity as at 31 Dec 2020	**43,047**	**456,764**	**-1,143**	**-108,413**	**-8,877**	**1,655**	**383,032**

CONSOLIDATED STATEMENT OF CASH FLOW

in USD thousands	Notes	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Profit/Loss before income tax		12,012	3,525	-17,574	15,537	-28,266
Income tax expenses paid		0	0	0	0	0
Net change in current assets		-479	-3,684	2,527	-4,163	4,155
Net change in current liabilities (ex. short term loan)		6,015	45	-806	6,060	3,651
Fair value change in derivatives		432	584	-127	1,016	-945
Depreciation		13,674	13,139	12,581	26,813	24,516
Finance costs (net)		6,220	5,592	4,918	11,812	10,199
Share of profit or loss from joint venture		-2,254	-1,627	-590	-3,881	-483
Impairment		0	0	1,500	0	2,500
Cash flow from operating activities		**35,620**	**17,575**	**2,481**	**53,194**	**15,327**
Proceeds from disposal of vessels		3,900	4,606	0	8,506	0
Scrubbers, dry docks and other upgrades on vessels		-9,820	-5,068	-9,724	-14,888	-21,853
Purchase of vessel		0	-9,000	0	-9,000	0
Interest received		9	4	25	13	76
Dividend received from joint venture investment		2,000	0	0	2,000	0
Cash flow from investing activities		**-3,911**	**-9,458**	**-9,699**	**-13,369**	**-21,777**
Proceeds from share issuance		0	0	0	0	11,936
Share issuance costs		0	0	-11	0	-276
Proceeds from debt financing		0	6,000	0	6,000	0
Repayment of debt		-29,333	-1,103	-500	-30,436	-1,723
Interest paid		-3,430	-3,451	-4,158	-6,881	-9,066
Debt issuance costs		-48	-118	-48	-166	-270
Other interest paid		-681	-579	-49	-1,258	-49
Repayment of hedging instrument		0	0	0	0	-5,243
Cash flow from financing activities		**-33,492**	**750**	**-4,766**	**-32,740**	**-4,691**
Net change in cash and cash equivalents		-1,783	8,868	-11,984	7,085	-11,141
Cash and cash equivalents at beginning of period		48,122	39,254	41,047	39,254	40,205
Cash and cash equivalents at the end of period[18]		**46,339**	**48,122**	**29,063**	**46,339**	**29,065**

[18] Whereof USD 1.8 million is restricted as at 30 June 2021 and USD 11.5 million as at 31 December 2020

NOTES

Note 1 - General information

MPC Container Ships ASA (the “Company”) is a public limited liability company (Norwegian: *allmennaksjeselskap*) incorporated and domiciled in Norway, with registered address at Munkedamsveien 45 A, 0250 Oslo, Norway and Norwegian enterprise number 918 494 316. The Company was incorporated on 9 January 2017 and commenced operations in April 2017 when the first vessels were acquired. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The principal activity of the Group is to invest in and to operate maritime assets in the container shipping segment.

The shares of the Company are listed at the Oslo Stock Exchange under the ticker “MPCC”.

Note 2 - Basis of preparation

The unaudited interim financial statements for the period ended 30 June 2021 are prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and as adopted by the European Union (“EU”). The statements have not been subject to audit. The statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2020. The consolidated financial statements are presented in USD thousands unless otherwise indicated.

Only standards and interpretations that are applicable to the Group have been included and the Group reviews the impact of these changes in its financial statements. The Group will adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

Note 3 - Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial reporting are consistent with those applied in the preparation of the Group’s consolidated financial statements for the period ended 31 December 2020. There are no new standards effective as at 1 January 2021 with a significant impact on the Group.

Note 4 - Segment information

All of the Group’s vessels earn revenue from seaborne container transportation globally. The vessels exhibit similar economic, trading and financial characteristics. The Group is organized in one operating segment, i.e. the container shipping segment.

Note 5 - Revenue

in USD thousands	Q2 2021 (unaudited)	Q2 2020 (unaudited)
Time charter revenue	51,512	28,682
Pool charter revenue	14,275	7,395
Other revenue	3,039	3,019
Total operating revenue	**68,825**	**39,095**

The Group’s time charter contracts are separated into a lease element and a service element. The lease element of the vessel represents the use of the vessel without any associated performance obligations and are accounted for in accordance with the lease standard. Revenues from time charter services (service element) and other revenue (e.g. bunkers and other services) are accounted for in accordance IFRS 15. The Group’s performance obligation is to provide time charter services to its charterers.

in USD thousands	Q2 2021 (unaudited)	Q2 2020 (unaudited)
Service element	40,644	14,215
Other revenue	3,039	3,019
Total revenue from customer contracts	**43,683**	**17,234**
Lease element	25,137	21,861
Total operating revenue	**68,825**	**39,095**

Note 6 - Interest in joint ventures

in USD thousands	Q2 2021 (unaudited)	Q2 2020 (unaudited)
Operating revenue	10,949	6,970
Operating costs	-4,978	-4,421
Depreciation	-1,293	-1,150
Net financial income/expense	-163	-213
Income tax	-7	-7
Profit after tax for the period	**4,508**	**1,180**
Total comprehensive income for the period	**4,508**	**1,180**
Group's share of profit for the period	**2,254**	**590**

The Group has a 50% interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG, Hamburg (Germany), a company owning eight container vessels through respective wholly-owned subsidiaries. In view of the shared control structure in the joint venture, the Group's interest in 2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG is accounted for using the equity method.

On 28 April 2021, the Company received dividend from the its interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG of USD 2.0 million which is reflected as a reduction in the carrying amount of the investment.

Note 7 - Vessels and prepayments

in USD thousands	At 30 June 2021 (unaudited)	At 31 December 2020 (audited)
Acquisition cost at 1 January	**707,924**	**697,533**
Acquisition of vessels	10,000	0
Prepayments	-1,000	1,000
Capitalized dry-docking and other expenses	14,888	42,569
Disposals of vessels	-9,236	-25,025
Vessel held for sale	0	-8,153
Acquisition cost	**722,576**	**707,924**
Accumulated depreciations and impairment 1 January	-119,107	-75,672
Depreciation for the year-to-date	-26,813	-49,653
Impairment	0	-8,996
Disposal of vessels	4,630	10,961
Vessel held for sale	0	4,253
Accumulated depreciations and impairment at end of period	**-141,291**	**-119,107**
Closing balance at end of period	**581,285**	**588,816**
Depreciation method	*Straight-line*	*Straight-line*
Useful life (vessels)	*25 years*	*25 years*
Useful life (dry docks)	*5 years*	*5 years*
Useful life (scrubbers)	*Remaining useful life vessel*	*Remaining useful life vessel*

The vessel AS Laguna, which was classified as held for sale per 31 March 2021, was delivered to its new owners on 26 April 2021. The vessel AS Frida was delivered to its new owners on 12 March 2021.

At each reporting date, the Group evaluates whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. At 30 June 2021, no such indicators are identified hence no impairment assessment is performed.

Note 8 Interest-bearing debt

in USD thousands	Ticker	Currency	Facility amount	Interest	Maturity	As at 30 June 2021 (unaudited)	As at 31 December 2020 (audited)
Nominal value of issued bonds	MPCBV	USD	204,056	Floating + 4.75%	September 2022*	204,056	204,056
Non-recourse senior secured term loan	N/A	USD	61,150	Floating + 4.75%	May 2023	48,492	49,595
Term loan	N/A	USD	29,000	Floating + 3.5%	April 2022	0	29,000
Term loan	N/A	USD	6,000	Floating + 4.5%	December 2021	5,667	0
Other long-term debt incl accrued interest						277	229
Total outstanding						**258,492**	**282,880**
Debt issuance costs						-2,607	-5,960
Total interest bearing debt outstanding						**255,885**	**276,920**

** As part of the bond amendments resolved on 3 July 2020, the redemption price at the new maturity date being 22 March 2023 is set to 104%.*

As at 22 June 2021, the Group had repaid the full term loan at USD 29 million. Later, subsequent to the balance sheet date the Group entered into a USD 70 million three-year revolving credit facility agreement with CIT Group, whereof USD 40 million was drawn to refinance existing debt (see Note 11).

Subsequent to the balance sheet the Group entered into a prepayment and release agreement for the Non-recourse senior secured term loan of USD 59.2 million where the repayment in its full was completed at 28 July 2021 (See note 11). Accordingly the carrying amount of the Non-recourse senior secured term loan are classified as current as at 30 June 2021.

In relation to the acquisition of Songa Container AS as described in Note 11, DNB Bank ASA committed to provide a USD 127.5 million acquisition facility with a 2 year tenor and effective interest of 500 bps plus Libor. The drawdown on this acquisition facility was made subsequent to the balance sheet date on 9 August 2021 as part of the closing of the transaction. See Note 11 for further description.

The Group has entered into fixed interest-rate swap agreements for USD 50 million of the USD 200 million bond loan in MPC Container Ships Invest B.V. For the remaining USD 150 million bond loan the Group has entered into interest cap and collar agreements. For the Non-recourse senior secured term loan, the Group has entered into collar agreements.

The term loan of USD 5.7 million as at 30 June 2021 which is related to the acquisition of AS Nadia is scheduled to be repaid during 2021.

On 3 July 2020, MPC Container Ships B.V. received support from the majority of its bondholders for certain amendments under the bond agreement, which included among others a waiver of the loan-to-value covenant and reduced minimum liquidity restrictions until but excluding 31 December 2021, including a six month extension of the maturity. The book-equity ratio of the Group was reintroduced at 20% for the period commencing on 31 March 2021 and reinstated at 40% at 31 December 2021 and for any period thereafter.

Accordingly, the following main financial covenants are applicable as at 30 June 2021 in accordance with the terms for the bond loan:

- The Group, shall maintain a minimum equity ratio of 20%

- MPC Container Ships Invest B.V., together with its subsidiaries, shall maintain a minimum liquidity of USD 7.5 million

For the Non-recourse senior secured term loan, the Group has an accordion option at the lender's discretion for additional approximately USD 240 million.

The following main financial covenants are defined in the terms of the Non-recourse senior secured term loan:

- Vessel loan-to-value ratio of MPCC First Financing GmbH & Co. KG and its subsidiaries shall not exceed 75%; and
- MPCC First Financing GmbH & Co. KG shall maintain a minimum liquidity of 5% of the financial indebtedness of MPCC First Financing GmbH & Co. KG and its subsidiaries.

The Group is in compliance with all bond and loan covenants as at 30 June 2021.

Note 9 - Related party disclosure

The following table provides the total amount of service transactions that have been entered into with related parties in Q2 2021:

in USD thousands - Q2 2021	Type of services	Group	2. Bluewater Holding Schifffahrtsgesellschaft GmbH & Co. KG
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	Technical	2,197	241
Harper Petersen & Co. GmbH	Commercial	860	136
MPC Münchmeyer Petersen Capital AG	Corporate	184	0
Total		**3,242**	**377**

All related party transactions are carried out at market terms. Please see Note 19 in the Company's 2020 Annual Report for additional description.

Warrants

On 20 April 2017, the Company issued 1,700,000 warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG as the founding shareholder, corresponding to 8.5% of the shares issued in the private placement in April 2017. Under the same warrant agreement, on 19 June 2017, the Company issued 421,046 additional warrants to MPC Capital Beteiligungsgesellschaft mbH & Co. KG considering the equity private placement in June 2017.

The aggregate number of independent subscription rights of 2,121,046 was adjusted to 5,610,906 on basis of the private placement and subsequent offering in July and August 2020.

Each warrant gives the holders the right, but no obligation, to subscribe for one share in the Company. The initial exercise price was set at the NOK equivalent of USD 5.00, and due to changes in the share capital of the Company, the exercise price has been adjusted to USD 1.89, which may also be adjusted further in the event of e.g. issuance of new shares, split or reverse split of shares or distributions to the shareholders. Exercise of the warrants is subject to certain vesting criteria related to the development in the share price of the Company, which have also been adjusted on basis of the above-mentioned events. The warrants are valid for a period of 5 years from 20 April 2017.

The warrants issued to the founding shareholder are recognized as equity instruments in accordance with IAS 32.

Note 10 - Share capital

The share capital of the Company consists of 394,256,127 shares as at 30 June 2021. The nominal value per share is NOK 1. All issued shares in the table below are of equal rights and are fully paid up.

	Number of shares	Share capital (USD thousands)
31 December 2020	**394,256,127**	**43,047**
No capital injections in H1 2021	0	0
30 June 2021	**394,256,127**	**43,047**

As at 30 June 2021 the Company holds 351,098 treasury shares. Subsequent to the balance sheet date the Group completed the acquisition of Songa Container AS, where a total of 49,795,250 new shares were issued as part of the consideration paid. See Note 11 for further description.

Note 11 - Subsequent events

On 22 June 2021, the Group entered into a share purchase agreement to acquire Songa Container AS ("Songa") for an aggregate purchase price USD 210.25 million ("the Transaction"). The Transaction of 100% of the shares in Songa including a minority interest in a subsidiary of Songa was completed on 9 August 2021 ("the Transaction date"). The consideration is paid partly in cash and partly in new shares, and in total 49,795,250 new shares were issued in relation to the Transaction.

With the acquisition of Songa and its 11 container vessels with an average size of 2,250 TEU, the Group aims to reinforce its position as the leading intra-regional container tonnage-provider with a combined fleet of 75 ships (including 8 joint venture vessels) and a total capacity of ~158,000 TEU. The Transaction will add significant scale and operating leverage for the MPCC platform in a persistently strong container market, with rates, charter durations and asset values strengthening on a continuous basis.

It was agreed that USD 84.6 million of the purchase price will be settled in cash based on the preliminary cash and working capital of Songa. This amount includes the repayment of the outstanding bond in Songa. The remaining share issuance of in total 49,795,250 new shares in the Company were based on an economic effective date of the Transaction of 31 May 2021 when a mutual understanding of the main terms of the Transaction was reached between the parties and a closing price of the Company's share of NOK 17.34.

The preliminary purchase price paid at closing 9 August 2021 for the shares in Songa was USD 236.4 million. Out of the preliminary purchase price, a total of USD 84.6 million was paid in cash at the transaction date based on the preliminary cash and working capital of Songa. The remaining portion was settled by way of issuing 49,795,250 consideration shares in the Company and fair value of the subscription price was set at USD 3.01 (NOK 26.80) per share based on the closing price of the share of the Company at the transaction date and a USD/NOK exchange rate of 8.918. The preliminary purchase price and the cash consideration are subject to customary post-closing adjustments. Based on the preliminary purchase price, the fair value of the Songa's net asset and liabilities for the Group are as follows:

In USD thousands	
Fair value of net identifiable assets	**236,402**
Estimated fair value of share consideration	149,643
Cash consideration	84,612
Bargain purchase gain	**2,151**

The acquisition including the final bargain purchase gain will be recorded in the third quarter 2021.

Under the negotiation between the buyer and the seller, an assumed fair value of the consideration shares were set at NOK 17.34 per share equal to the opening share price at 31 May 2021. Under IFRS, the fair value is set at the share price at the transaction date at NOK 26.80 per share, significantly above the agreed price. The main reason for the variance is assumed to be the continuing positive developments in charter rates and asset price from the economical closing date until the transaction date as described above.

The preliminary purchase bargain gain of USD 2.1 million is expected as the effect from the continuing positive developments on assets prices and charter rates on the fair value of the net identifiable assets acquired are expected to exceeds the impacts on total consideration as only a portion of the total consideration is settled in consideration shares.

The preliminary purchase price allocation has been estimated based on facts and circumstances that are known for the acquisition date as of the date of this report. If new information are obtained within one year from the transaction date, the accounting for the acquisition will be revised.

Detailed overview over assets and assumed liabilities at transaction date, as well as other key financial information as if the transaction had been completed on 1 January 2021 will be included in the third quarter report, as it is impractical to prepare given that the full financial information is not yet available.

A consolidated statement of financial position has not been included as it is impractical to prepare given that the full financial information is not yet available.

In relation to the cash consideration DNB Bank ASA committed to provide a USD 127.5 million acquisition facility with a 2 year tenor and effective interest rate of 500 bps plus Libor, which was draw down on the transaction date 9 August 2021.

The estimated total transaction costs related to the acquisition and the acquisition facility is USD 6.1 million, whereof the majority of the cost is related to fees for the new financing.

Subsequent to the balance sheet the Group entered into a prepayment and release agreement for the Non-recourse senior secured term loan of USD 59.2 million where the repayment in its full was completed at 28 July 2021.

On 29 July 2021 the Group entered into a USD 70 million three-year revolving credit facility agreement with CIT Group and an initial drawdown of USD 40 million was made to refinance the existing debt. As a consequence the term loan of USD 29 million and the Non-recourse senior secured term loan of USD 59.2 million was repaid in full. Further drawdowns under the new facility may be used for vessel upgrades, investments or general corporate purposes.

On 18 August 2021, a subsidiary of 2. Bluewater Holding Schiffahrtsgesellschaft GmbH & Co. KG, where the Group has a 50% interest, entered into an agreement for the sale of AS Cordelia for USD 39.0 million. Based on the sale being successfully finalized and executed, the gain on the sale of vessel for the Group’s 50% interest is estimated at 15.9 million and the vessel is expected to be delivered to its new owner in the third quarter.

ALTERNATIVE PERFORMANCE MEASURES

The Group's financial information is prepared in accordance with international financial reporting standards ("IFRS"). In addition, it is the management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of the Group's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. The Group is in the initial phase of operation and performance measures are therefore subject to change. The alternative performance measures are intended to enhance comparability of the results and to give supplemental information to the users of the Group's external reporting.

GROSS PROFIT

Gross profit is a key financial parameter for the Group and is derived directly from the income statement by deducting cost of sales (vessel voyage expenditures, ship management fees, vessel operating expenditures and commissions) from the operating revenues.

EBITDA

in USD thousands	Q2 2021 (unaudited)	Q1 2021 (unaudited)	Q2 2020 (unaudited)	H1 2021 (unaudited)	H1 2020 (unaudited)
Operating result (EBIT)	18,232	9,118	-12,656	27,349	-18,067
Depreciation	13,674	13,139	12,581	26,813	24,515
Impairment	0	0	1,500	0	2,500
EBITDA	**31,906**	**22,257**	**1,424**	**54,163**	**8,948**

Earnings before interest, tax, depreciations and amortizations ("EBITDA") is a key financial parameter for the Group and is derived directly from the income statement by adding back depreciation and impairment of vessels to the operating result ("EBIT").

AVERAGE TIME CHARTER EQUIVALENT ("TCE")

TCE is a commonly used Key Performance Indicator ("KPI") in the shipping industry. TCE represents time charter revenue and pool revenue divided by the number of trading days for the consolidated vessels during the reporting period. Trading days are ownership days minus days without revenue, including commercial, uninsured technical and dry dock related off-hire days.

AVERAGE OPERATING EXPENSES ("OPEX") PER DAY

OPEX per day is a commonly used KPI in the shipping industry. OPEX per day represents operating expenses excluding tonnage taxes and operating expenses reimbursed by the charterers divided by the number of ownership days of consolidated vessels during the reporting period.

UTILIZATION

Utilization in percentage is a commonly used KPI in the shipping industry. Utilization in percentage represents total trading days including off-hire days relates to dry docks divided by the total number of ownership days during the period.

LEVERAGE RATIO

Interest-bearing long-term debt and interest-bearing short-term debt divided by total assets.

EQUITY RATIO

Total book equity divided by total assets.

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